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USWEST

Glenn Brown
Executive Director-
Public Policy

EX PARTE OR LATE FILED

January 20, 1998

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street N.W., Room 222
Washington, D.C. 20554

RECEIVED
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket 96-45 and 97-160

Dear Ms. Salas:

Today I provided to Charles Keller and Bob Loube of the Universal Service Branch staff a copy of the attached analysis. Earlier this month, the sponsors of the Benchmark Cost Proxy Model (BCPM) and the Hatfield Model provided copies of their model output using "common" data inputs supplied by the FCC. The attached charts compare the results of these analyses. While, in aggregate, the results come out similar for the funding for non-rural LECs that would be required under these assumptions, the individual holding company results and the results by study area demonstrate some significant and unexplained differences.

Acknowledgment and date of receipt are requested. A copy of this submission is provided for this purpose. Please contact me if you have any questions.

Sincerely,



Attachment

cc: Charles Keller
Robert Loube
State Joint Board Staff

No. of Copies rec'd 023
List A B C D E

Holding Company Comparisons

	Dollars - Millions			
	BCPM3		Hatfield 5.0	
	Default	Common	Common	Default
Ameritech	\$ 520	\$ 232	\$ 202	\$ 111
Bell Atl	\$ 1,047	\$ 481	\$ 595	\$ 340
Bell So	\$ 1,649	\$ 761	\$ 813	\$ 480
SBC	\$ 1,466	\$ 771	\$ 619	\$ 407
U S WEST	\$ 1,225	\$ 726	\$ 629	\$ 425
Sprint	\$ 823	\$ 368	\$ 398	\$ 240
GTE (see note)	\$ 2,140	\$ 1,279	\$ 958	\$ 580

GTE comparisons are not reliable as BCPM contains 37 study areas, but Hatfield only 19. This will require further review. All other comparisons are comparable.

Sum Less GTE \$ 6,730 \$ 3,339 \$ 3,256 \$ 2,583

COMPARISON OF COMMON INPUT RESULTS

		BCPM3.1		Hatfield 5.0		Difference	
Ameritech		Monthly	Fund	Monthly	Fund	Monthly	Fund
IL	Illinois Bell Tel Co	\$22.44	\$35,970,983	\$19.66	\$32,938,552	-12%	-8%
IN	Indiana Bell Tel Co	\$25.88	\$40,476,038	\$20.65	\$32,877,180	-20%	-19%
MI	Michigan Bell Tel Co	\$25.09	\$89,545,234	\$20.69	\$77,412,780	-18%	-14%
OH	Ohio Bell	\$24.03	\$36,494,237	\$19.41	\$34,727,716	-19%	-5%
WI	Wisconsin Bell	\$24.29	\$29,589,643	\$19.05	\$24,465,060	-22%	-17%
			<u>\$232,076,135</u>		<u>\$202,421,288</u>		-13%
Bell Atlantic							
PA	Bell of Pennsylvania	\$23.52	\$65,163,970	\$21.16	\$83,734,969	-10%	28%
MD	C&P Tel Co of Maryland	\$23.31	\$30,008,613	\$21.08	\$42,851,503	-10%	43%
VA	C&P Tel Co of VA	\$24.98	\$62,314,828	\$21.74	\$78,828,506	-13%	27%
WV	C&P Tel Co of WV - Bell Atlantic	\$36.39	\$81,435,019	\$37.51	\$95,029,927	3%	17%
DC	C&P Tel Co of Washington	\$18.62	\$220	\$13.35	\$0	-28%	-100%
DE	Diamond State Tel	\$24.62	\$7,463,874	\$21.37	\$6,533,212	-13%	-12%
MA	New England Telephone	\$22.09	\$18,464,731	\$20.01	\$19,613,162	-9%	6%
ME	New England Telephone	\$32.06	\$48,022,821	\$31.36	\$53,202,857	-2%	11%
NH	New England Telephone	\$28.05	\$27,730,976	\$26.41	\$32,328,442	-6%	17%
RI	New England Telephone	\$24.12	\$2,952,160	\$20.25	\$2,517,165	-16%	-15%
VT	New England Telephone	\$33.91	\$27,358,071	\$33.34	\$31,865,863	-2%	16%
NJ	New Jersey Bell	\$20.14	\$8,601,679	\$18.38	\$9,684,474	-9%	13%
NY	New York Tel Co	\$21.74	\$101,487,173	\$19.64	\$138,918,753	-10%	37%
			<u>\$481,004,135</u>		<u>\$595,108,833</u>		24%
BellSouth							
AL	South Central Bell	\$30.98	\$100,560,497	\$29.31	\$120,179,319	-5%	20%
KY	South Central Bell	\$31.25	\$78,707,086	\$29.73	\$75,405,319	-5%	-4%
LA	South Central Bell	\$29.12	\$100,007,694	\$25.68	\$98,581,700	-12%	-1%
MS	South Central Bell	\$39.12	\$157,031,096	\$38.61	\$175,730,778	-1%	12%
TN	South Central Bell	\$28.80	\$100,566,109	\$26.34	\$115,950,149	-9%	15%
FL	Southern Bell of Florida	\$23.60	\$41,944,125	\$19.56	\$34,975,494	-17%	-17%
GA	Southern Bell GA	\$26.83	\$91,957,851	\$23.24	\$94,094,746	-13%	2%
NC	Southern Bell	\$26.84	\$39,542,997	\$23.28	\$51,281,013	-13%	30%
SC	Southern Bell	\$29.32	\$50,872,864	\$25.54	\$46,970,612	-13%	-8%
			<u>\$761,190,319</u>		<u>\$813,169,129</u>		7%
SBC							
CA	Pacific Bell	\$22.26	\$170,449,118	\$18.15	\$69,649,334	-18%	-59%
AR	Southwestern Bell	\$34.48	\$73,662,766	\$28.06	\$58,777,689	-19%	-20%
KS	Southwestern Bell	\$31.28	\$92,400,445	\$25.38	\$68,482,488	-19%	-26%
MO	Southwestern Bell	\$27.07	\$80,616,196	\$23.66	\$94,937,017	-13%	18%
OK	Southwestern Bell	\$31.47	\$102,157,982	\$27.90	\$101,695,026	-11%	0%
TX	Southwestern Bell	\$26.12	\$229,278,008	\$21.39	\$197,592,978	-18%	-14%
NV	Nevada Bell	\$30.49	\$22,166,182	\$31.31	\$27,769,348	3%	25%
			<u>\$770,730,697</u>		<u>\$618,903,880</u>		-20%
U S WEST							
AZ	Mountain Bell	\$27.49	\$83,219,820	\$21.33	\$47,957,958	-22%	-42%
CO	Mountain Bell	\$27.82	\$90,300,645	\$24.31	\$86,590,319	-13%	-4%
ID	Mountain Bell	\$32.66	\$39,100,227	\$27.50	\$30,382,881	-16%	-22%
MT	Mountain Bell	\$42.30	\$55,162,197	\$32.29	\$35,950,064	-24%	-35%
NM	Mountain Bell	\$31.85	\$54,298,546	\$27.40	\$45,321,159	-14%	-17%
UT	Mountain Bell	\$25.72	\$21,197,419	\$22.04	\$21,119,503	-14%	0%
WY	Mountain Bell	\$45.87	\$49,095,417	\$39.30	\$37,427,016	-14%	-24%
IA	Northwestern Bell	\$29.31	\$50,312,935	\$23.37	\$40,457,519	-20%	-20%
MN	Northwestern Bell	\$26.23	\$66,998,309	\$22.99	\$84,678,990	-12%	26%
NE	Northwestern Bell	\$31.18	\$45,119,829	\$31.32	\$55,345,011	0%	23%
ND	Northwestern Bell	\$35.78	\$31,799,697	\$29.97	\$24,321,174	-16%	-24%
SD	Northwestern Bell	\$38.97	\$40,102,180	\$32.06	\$26,710,757	-18%	-33%
OR	Pacific Northwest Bell	\$27.35	\$49,656,175	\$23.94	\$48,419,020	-12%	-2%
WA	Pacific Northwest Bell	\$25.32	\$49,223,560	\$21.35	\$44,732,796	-16%	-9%
			<u>\$725,586,956</u>		<u>\$629,414,165</u>		-13%

Sprint/United

FL	Centel of Florida	\$29.73	\$20,241,583	\$28.02	\$24,310,233	-6%	20%
IL	Centel of Illinois	\$24.81	\$5,643,876	\$22.90	\$5,267,841	-8%	-7%
VA	Central Tel Co of Virginia	\$36.63	\$33,978,066	\$42.51	\$45,522,092	16%	34%
NC	Centel of NC	\$31.53	\$13,605,353	\$35.87	\$22,747,314	14%	67%
NV	Centel of NV	\$21.85	\$4,105,186	\$18.56	\$3,390,350	-15%	-17%
TX	Central Tel Co of Texas	\$32.92	\$18,718,979	\$29.09	\$14,228,613	-12%	-24%
TN	United Telephone - Southeast	\$30.79	\$9,332,409	\$28.15	\$10,322,916	-9%	11%
VA	United Telephone - Southeast	\$39.19	\$14,288,851	\$36.14	\$14,142,575	-8%	-1%
FL	UTC of Florida	\$27.83	\$35,407,361	\$23.50	\$31,035,279	-16%	-12%
IN	UTC of Indiana	\$38.67	\$28,671,280	\$40.36	\$27,505,925	4%	-4%
NJ	United Tel NJ, INC	\$27.63	\$2,321,295	\$26.53	\$2,761,794	-4%	19%
OH	UTC of Ohio	\$33.27	\$41,213,258	\$33.92	\$45,246,668	2%	10%
PA	UTC of Pennsylvania	\$33.11	\$26,266,442	\$35.72	\$31,047,225	8%	18%
KS	United Tel Co of KS	\$54.85	\$26,776,362	\$73.08	\$29,791,246	33%	11%
MN	UTC of Minnesota	\$38.27	\$17,734,058	\$38.49	\$16,501,334	1%	-7%
MO	UTC of Missouri	\$41.12	\$36,320,076	\$43.17	\$41,129,672	5%	13%
TX	UTC of Texas INC	\$48.57	\$32,960,132	\$51.41	\$32,815,192	6%	0%
			<u>\$367,584,567</u>		<u>\$397,766,270</u>		8%
Totals			\$3,338,172,809		\$3,256,783,566		